



Virginia Department of
HUMAN RESOURCE
MANAGEMENT

Office of Health Benefits

COMMONWEALTH OF VIRGINIA **DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

Benefits Administrator Memo **#01-18**

To: Benefits Administrators

From: Charles S. Reed, Associate Director
State and Local Health Benefits Programs

CC: All OHB

Date: November 20, 2001

Re: Medicare Retiree Rates Effective January 1, 2002

Monthly Rate Increase

Medicare eligible retirees enrolled in the Advantage 65, Medicare Complementary (Option I), Medicare Supplemental (Option II), Drug Only and Dental/Vision plans will experience an average 6% increase in monthly premiums effective January 1, 2002. However, there will be no changes to benefits, copayments or coinsurance for 2002.

New Rule on Increasing Membership

Please note the new rule requiring that Medicare retirees experience a qualifying mid-year event to add a dependent. All of the same consistency and prospective rules apply to Medicare retirees as apply to non-Medicare retirees and active employees.

Notification to Medicare Retirees – Package Components

Enclosed is a copy of the notification that will be mailed on November 26 to Medicare eligible retirees enrolled in the Advantage 65, Option I, Option II, Drug Only and Dental/Vision plans. Separate mailings will be sent to Medicare eligible VSDP long-term disability and Extended Coverage participants.

Retirees will receive a copy of *Open Forum*, our new retiree newsletter which will be sent to Medicare retirees each fall and to non-Medicare retirees with their spring rate notification. The following items are also in the Medicare notification package:

- Retiree Monthly Premiums
- Medicare Plan Options brochure
- State Health Benefits Program Enrollment/Waiver Form for Retirees
- Prescription Drug Flyer
- *Open Forum* retiree newsletter
- Amendment to Your Member Handbook (except for Advantage 65 Plan)

Enclosures:

Notification to Medicare Eligible Retirees
Retiree Monthly Premiums
Medicare Plan Options brochure
State Health Benefits Program Enrollment/Waiver Form for Retirees
Open Forum Newsletter
Prescription Drug Flyer
Member Handbook Amendments
State Materials Order form